

Message Text

UNCLASSIFIED

PAGE 01 HELSIN 02830 011621Z

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05

CEA-01 /093 W

-----021154 012233Z /75

R 011420Z DEC 77

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 2132

INFO AMEMBASSY COPENHAGEN

AMCONSUL LENINGRAD

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

UNCLAS HELSINKI 2830

USOECD

E.O. 11652: N/A

TAGS: BEWT, ETRD, FI, UR

SUBJECT: SOVIET-FINNISH 1978 TRADE PROTOCOL

REF: HELSINKI 76 A-137

1. SUMMARY: THE SOVIET-FINNISH TRADE PROTOCOL FOR 1978 SIGNED IN HELSINKI NOVEMBER 29 CONTAINS NO SURPRISES NOR ANY SUBSTANTIAL INCREASES. SOVIET EXPORTS CONTINUE TO BE DOMINATED BY CRUDE OIL, AGAIN PROJECTED AT SEVEN MILLION TONS, AND COAL. SHIPS AND METAL AND ENGINEERING PRODUCTS COMPRISE HALF OF FINNISH EXPORTS. THOUGH THE PROJECTED VALUE OF TOTAL TRADE WILL REACH THE RBL TWO BILLION LEVEL FOR THE FIRST TIME, THE INCREASE IS ONLY FIVE PERCENT, DOWN SIGNIFICANTLY FROM PREVIOUS YEARS' GROWTH RATES. FINNISH RECESSION HAS LOWERED IMPORT REQUIREMENTS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HELSIN 02830 011621Z

AND EXPORT POSSIBILITIES AS WELL, UNDER THE BILATERAL BALANCING FRAMEWORK. END SUMMARY.

2. SOVIET FOREIGN TRADE MINISTER N.S. PATOLITCHEV AND FINNISH FOREIGN MINISTER PAAVO VAYRYNEN SIGNED THE 1978 FINNISH-USSR TRADE PROTOCOL IN HELSINKI ON NOVEMBER 29. THE TOTAL VALUE OF BILATERAL TRADE FOR

NEXT YEAR IS PROJECTED AT OVER RBL 2.1 BILLION A FIVE PERCENT INCREASE OVER THIS YEAR'S AGREEMENT, OR FMK 12 BILLION, A 20 PERCENT NOMINAL INCREASE. FINLAND'S RECESSED ECONOMY IS SLOWING THE GROWTH IN TRADE, WHICH HAS BEEN ABOUT TEN PERCENT PER ANNUM IN YEARS PAST. THERE ARE INDICATIONS THAT IT WAS LARGELY CONCERN FOR APPEARANCES THAT LED TO INCORPORATION OF AN INCREASE, THOUGH ONLY A NOMINAL ONE, THIS TIME. AS TRADE IS CONDUCTED WITHIN A BALANCING FRAMEWORK, FINLAND'S LOW LEVEL OF DEMAND FOR IMPORTS FROM THE USSR CORRESPONDINGLY LIMITS FINNISH EXPORTS.

3. FINNISH EXPORTS. ACCORDING TO INFORMATION FROM OFFICIAL SOURCES, SHIPS ACCOUNT FOR ABOUT FMK 1.7 BILLION OR 27 PERCENT OF FINLAND'S PROJECTED EXPORTS. HOWEVER, NO NEW CONTRACTS ARE INCLUDED AND THE PROTOCOL THUS CONTAINS NO GOOD NEWS FOR THE TROUBLED FINNISH SHIPYARDS. OTHER METAL AND ENGINEERING PRODUCTS CONTINUE ALSO TO MAKE UP A MAJOR SHARE OF FINNISH EXPORTS TO THE USSR, BUT WITH NO SIGNIFICANT EXPWPDBMN. A NEW BLANK QUOTA HAS BEEN ADDED FOR MACHINERY AND EQUIPMENT DELIVERIES BASED UPON INDUSTRIAL COOPERATION ARRANGEMENTS. TOTAL VALUE OF METAL AND ENGINEERING INDUSTRY EXPORTS IS PROJECTED AT FMK 3.4 BILLION, COMPARED WITH FMK 1.6 BILLION FOR THE WOOD PRODUCTS INDUSTRY, THE LARGER OF FINLAND'S TWO DOMINANT INDUSTRIES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 HELSIN 02830 011621Z

4. SOVIET EXPORTS TO FINLAND: SOLID AND LIQUID FUEL CONTINUE TO PREDOMINATE. CRUDE OIL EXPORTS WILL AGAIN TOTAL SEVEN MILLION METRIC TONS, DIESEL OIL AND A RESIDUE USED AS A FUEL OIL, MAZOUT, 1.5 MILLION TONS EACH. EXPORTS OF COAL AND COKE REMAIN AT THE LEVEL OF THE 1977 PROTOCOL, BUT THE SOVIETS REPORTEDLY HAVE PROMISED SMALL ADDITIONAL COAL DELIVERIES. THE FINNS REPORTEDLY PRESSED FOR INCREASED COAL DELIVERIES IN VIEW OF THEIR DISSATISFACTION WITH TRADE RELATIONS WITH POLAND, THE PRINCIPAL SUPPLIER. POLISH COAL IS PAID FOR IN HARD CURRENCY AND THE POLES HAVE RESISTED FINNISH PRESSURE FOR OFFSETTING PURCHASES. SOVIET EXPORTS OF PULPWOOD WILL DECLINE. THIS APPARENTLY REFLECTS A FAILURE TO UTILIZE FINNISH TIMBER STANDS BECAUSE OF HIGH PRICES AND DISSATISFACTION OF FINNISH TIMBER OWNERS WITH FOREST INDUSTRY PURCHASES FROM FOREIGN SOURCES.

5. ENGLISH TRANSLATIONS OF THE COMMODITY LISTS WERE POUCHED NOVEMBER 30 TO STATE, COMMERCE (BEWT) AND EMBASSY MOSCOW.

RIDGWAY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN02830
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770446-0543
Format: TEL
From: HELSINKI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712106/aaaadltw.tel
Line Count: 116
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8ffacefb-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 HELSINKI 76
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 114518
Secure: OPEN
Status: NATIVE
Subject: SOVIET-FINNISH 1978 TRADE PROTOCOL
TAGS: EEWT, ETRD, FI, UR
To: STATE USOECD
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8ffacefb-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009